

King County Parks **Your** **King County** **Big Backyard**

King County
Department of Natural Resources and Parks
Parks and Recreation Division



Parks Omnibus Ordinance (Ordinance 14509)
Report to the King County Council

2012
Third Quarter Report
July – September 2012

we're at work so you can play

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I. Executive Summary

Overall, the King County Parks and Recreation Division's ("Division") business revenues through the third quarter were 10 percent higher than for the same period in 2011. This was largely due to the increase in revenues from the *Cavalía* performances at Marymoor Park, facility rentals at the Weyerhaeuser King County Aquatic Center (WKCAC), and concert and parking revenues from Marymoor Park during the summer.

Revenues at WKCAC are strong this year, 30 percent higher than the same period in 2011. The majority of this increase was due to national event rentals earlier in the year as well as increases in attendance in public swimming programs during the latest quarter.

At Marymoor Park, the Division hosted nine concerts (three sold-out), rather than the seven concerts in 2011. Concert revenue increased 25 percent over the same period in 2011. The increased concert attendance also helped boost parking revenues.

The eighth season of the *Movies@Marymoor* outdoor cinema series was the most successful yet thanks both to excellent summer weather and new attractions at the event. More than 11,000 people came out to see one of eight movies, nearly doubling last year's attendance.

The nice weather helped increase rentals as groups were booking picnic shelters well into the month of September. Tolt-MacDonald Park and Campground continues to be a popular destination site for camping. The yurts were solidly booked all summer during the weekends.

The United Way Day of Caring and the National Day of Service took place in the third quarter. These events, along with numerous other volunteer events, attracted 1,475 volunteers who provided 8,470 hours of service at 62 scheduled events. New groups volunteering within King County parks included: Apptio, Phillips Healthcare Alliance, Triumph International, Aeroje, Blinkx, Ace Hardware, Providence Point, Federal Reserve Bank, VISA Bellevue, Rhyther Group, Enterprise Holdings, and Goldman-Sachs.

In July, the Division unveiled its new camping structure, a recycled cargo container retrofitted with sustainable and recycled materials. The camping structure, located at Tolt-MacDonald Park, was built based on Hybrid Architecture's winning design from the "Little Footprint Big Forest" contest last year. The contest and container have been featured in local and national media, including Martha Stewart Living and Sunset magazines, increasing the Division's visibility and public interest.

II. Summary of Revenues and Expenditures

	Revenues	Expenditures
2012 Adopted	\$26,878,972	\$30,539,214
2012 Revised	\$26,878,972	\$31,089,406
2012 Estimated	\$27,884,057	\$31,089,406
2011 Actual	\$25,756,143	\$27,019,902

Business Revenues¹ and Expenditures through September 2012

	Actual Revenues	Actual Expenditures
January 1 – September 30, 2012	\$3,502,027	\$20,724,694
January 1 – September 30, 2011	\$3,193,617	\$20,215,516

Revenues

The Division's overall business revenues through September 2012 were up 10 percent from the same period last year. This increase was largely due to the successful run of *Cavalía* performances at Marymoor Park in early 2012, facility rental revenue increases at WKCAC, and concert revenues at Marymoor Park during the summer and early fall. The downturn in the economy, however, has affected the Division's ability to secure business revenues since 2008, as has the transfer of many facilities, mostly pools, which generated more than \$2 million in revenues in past years. The transfer of pools has ultimately helped the Division's bottom line, as revenues from any pool are generally less than 50 percent of its direct operating costs. However, these transfers still affect the Division's total gross revenues.

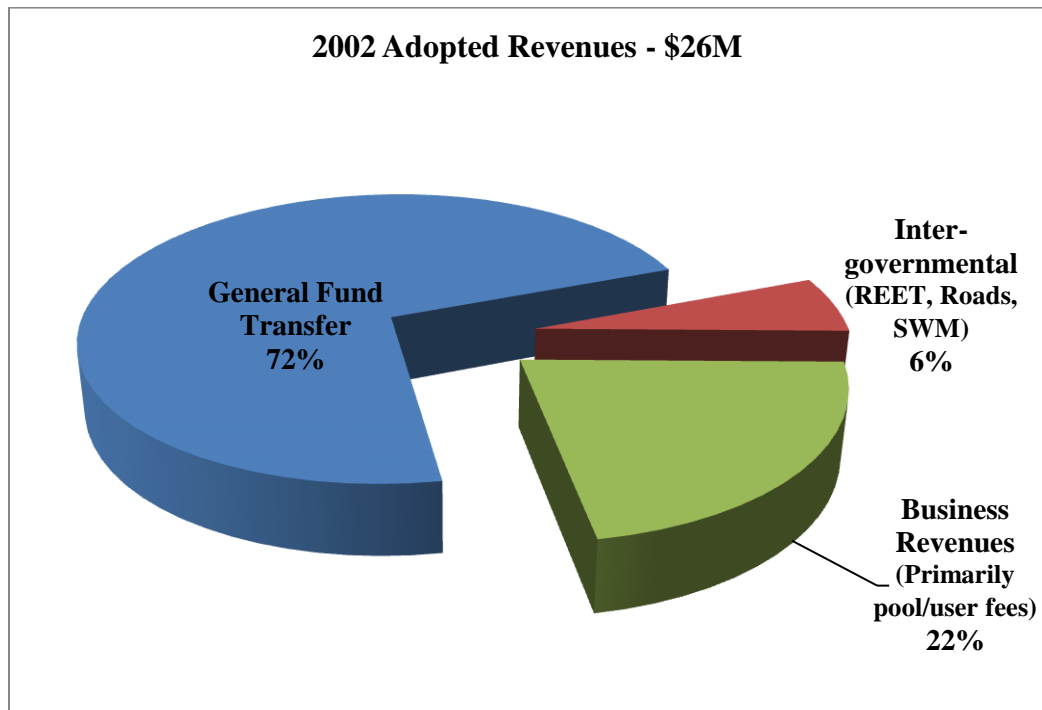
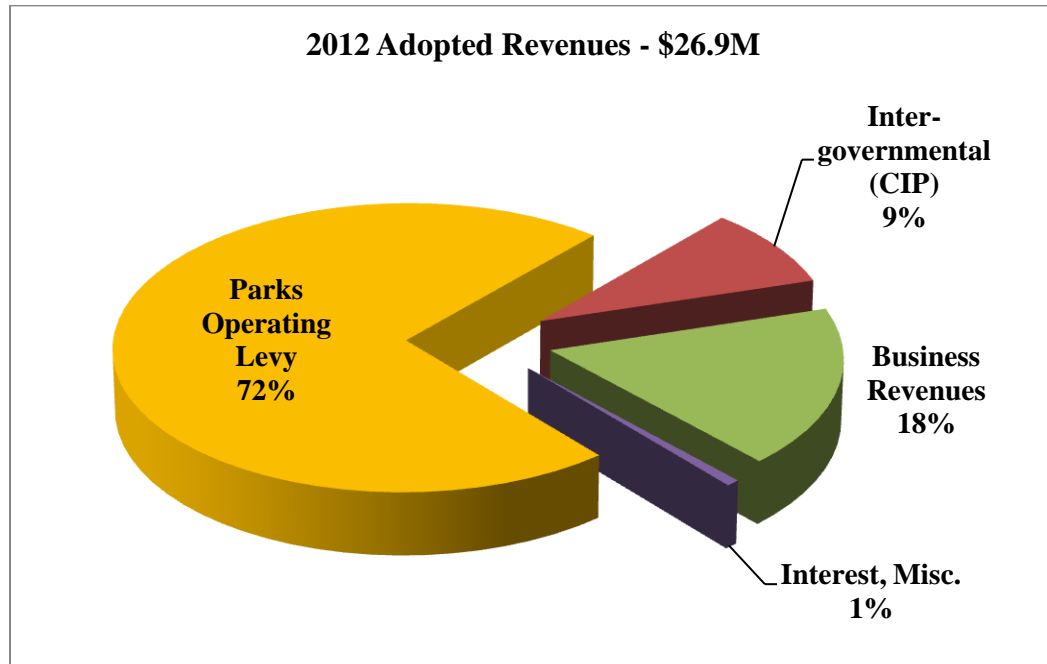
Despite a reduced asset base (due to the transfer of facilities), business revenues still comprise approximately 18 percent of the Division's 2012 budgeted revenues, which is similar to the percentage in 2002 at the beginning of the Parks Business Plan (see charts on the following page). The business revenue forecast for the remaining assets has risen from a total of about \$2.3 million in 2002 to more than \$4.8 million in the 2012 adopted budget.

Expenditures

In the first three quarters of 2012, the Division's expenditures equaled about 67 percent of the annual budget. This expenditure pattern is in line with historic trends. As long as target fund balance is achieved, the Division intends to make capital investments and purchases as planned in the last quarter in 2012 and spend the maximum amount of its expenditure authority in maintaining parks, open space and trails. This may not result in the Division performing

¹ Business revenues include user fees as well as enterprise and entrepreneurial revenues. Levy funds, interest earnings, interfund transfers and similar revenues that are not within the control of the Division are excluded from this total.

maintenance at levels comparable to historic levels prior to 2002; however, the Division is committed to maintaining its assets at maximum possible levels given its limited resources.



III. Revenues – Key Business Units

Marymoor Park

	2012 thru Q3	2011 thru Q3	Change (\$)	Change (%)
Revenues:				
Facilities	\$247,257	\$258,254	(\$10,997)	(4%)
Ballfields	\$566,021	\$639,847	(\$73,826)	(12%)
Parking	\$503,521	\$486,203	\$17,318	4%
Concerts	\$202,113	\$162,123	\$39,990	25%
Cavalia	\$371,708	\$0	\$371,708	
Total Revenues (rounded)	\$1,891,000	\$1,546,000	\$344,000	22%

Overall, revenues at Marymoor Park were up 22 percent as compared with same period in 2011. Athletic field revenue is 12 percent below last year at the same time and facility rentals are down four percent. Several factors contribute to this decline: two new large events in 2012 required cancellation of some weekend use; several youth tournaments were cancelled due to low registration; one adult soccer league disbanded; and several adult soccer leagues decreased their use after 8:30 pm at the request of players. However, other groups are picking up time, and the Division staff continues to match available time to interested groups. Youth group use continues to be strong, including an increase in use by the Lake Washington Youth Soccer Association.

Unusually dry weather well into September helped increase daily parking fees by four percent. A new parking revenue source this quarter came from the Northshore Baseball complex in Woodinville. The Division charged \$5 to \$10 per car during local special events, including concerts at Chateau St. Michelle and the Redhook Brewery. Over \$18,000 was collected from the 200-car capacity parking lot over the summer.

The Division hosted nine concerts (three sold-out) this summer, rather than the seven concerts in 2011. Concert revenue increased 25 percent over the same period in 2011. The increased concert attendance helped boost parking revenues.

Summer Camp, a one-day music festival, was sponsored by the adult progressive rock radio station 107.7 The End. The festival, with its affordable \$25 ticket price, brought over 10 bands to Marymoor Park for a full day of music.

Weyerhaeuser King County Aquatic Center (WKCAC)

Revenues:	2012 thru Q3	2011 thru Q3	Change (\$)	Change (%)
Facilities	\$626,271	\$451,374	\$174,897	39%
Courses	\$103,677	\$94,760	\$8,917	9%
Drop-in	\$28,202	\$26,342	\$1,860	7%
Conference Center	\$16,283	\$21,911	(\$5,628)	(26%)
Total Revenues (rounded)	\$774,000	\$594,000	\$180,000	30%

Revenues at WKCAC are strong this year, at 30 percent higher than the same period in 2011. The majority of this increase is from national events earlier in the year, as well as increases in attendance in public programs. Improvements in customer service and an increase in the popularity of recreation swimming are resulting in a seven-to-nine percent revenue increase in swimming lessons and drop-in swim sessions.

Conference center rentals are 26 percent lower than last year, as national events leave fewer dates available for rentals.

WKCAC was recently awarded: the 2014 U.S. Synchronized Swimming Age Group Nationals, a nine-day championship that will draw about 1,000 athletes from around the country in June 2014; and the 2014 Western Zone Championships, a seven-day swimming event in August 2014 that will draw about 800 athletes from the western states including Alaska and Hawaii. Additional championship events in 2013 and 2014 may be assigned to the facility by the end of the year.

The WKCAC facility manager, Mike Dunwiddie, was recognized with a proclamation by the City of Federal Way for his success in securing major aquatic events over the past two decades. The City of Federal Way Mayor and City Council also highlighted the success of the 2012 U.S. Olympic Team Diving Trials and the positive economic impact to the region from these events.

Fields and Facilities Business Unit

Revenues:	2012 thru Q3	2011 thru Q3	Change (\$)	Change (%)
Ballfields*	\$214,816	\$290,042	(\$75,226)	(26%)
Facilities	\$247,901	\$198,004	\$49,897	25%
Camping	\$70,675	\$55,155	\$15,520	28%
Total Revenues (rounded)	\$533,000	\$543,000	(\$10,000)	(2%)

*2012 revenue from ballfields was misreported in the 2nd Quarter report; an accounting error was identified and the correct value through the 3rd Quarter is listed here.

Ballfield revenues showed a significant decrease from this same period in 2011, largely due to a number of fields at Big Finn Hill, Petrovitsky, and Ravensdale Parks being unavailable for use while they are being converted to artificial turf.

Facility revenue is 25 percent higher than this time last year due to the popularity of the Preston Community Center for weddings and receptions, increased events at the Duthie Hill bike park, and the use of Tolt-MacDonald Park for the *Big Foot* science fiction movie film shoot. In addition, the nice weather helped increase rentals as groups were booking picnic shelters well into the month of September.

Tolt-MacDonald Park continued to be a popular destination site for camping. The yurts were solidly booked all summer during the weekends. The entire campground was sold out many weekends.

Revenue – Other Sources

In August, the Division received a donation of two unimproved residential parcels totaling 0.32 acres located adjacent to Skyway Park. This land will serve to further buffer Skyway Park, allowing for better control and elimination of invasive vegetation next to the park and providing greater opportunity for enforcement against illegal activities that have occurred on the parcels in the past. The donors, Mr. and Mrs. William Murray, donated the land without imposing any conditions or restrictions on future use. Each lot was valued at \$80,000 according to the tax assessment. The Division also received \$15,000 in donations during the third quarter for legacy benches.

IV. Agreements with Other Organizations and Jurisdictions

Community Partnerships and Grants (CPG) Program

The CPG Program develops partnerships that result in the development of new facilities and amenities throughout the parks system with limited public expenditures. There are currently more than 40 projects in various stages of negotiation, planning, design, permitting, or construction. By leveraging community investments (cash, grants, in-kind donations, volunteer

labor, etc.), these CPG projects will add new public recreation facilities valued at an estimated \$50 million. The status of key CPG projects includes:

- Construction of the lacrosse facility at Big Finn Hill Park began in mid-July with an estimated completion in December.
- Construction on the Marymoor Boathouse has been delayed due the City of Redmond's new utility permitting requirements which require all new utilities be placed underground. The Division anticipates this issue will be resolved in the next few months. The Sammamish Rowing Association is now planning a soft opening later this fall.

Transferring Division Assets

The transfer of parks within the Urban Growth Area (UGA) is an on-going effort as part of the County's larger annexation strategy. There was no transfer activity in the third quarter.

V. Community Outreach and Involvement

Volunteer Program

In the third quarter 1,475 volunteers gave 8,470 hours of service during 62 scheduled events. The projects consisted of trail work (18 events); restoration and noxious weed removal projects (19 events); King County Greenhouse and Nursery (two events); and park maintenance and improvement projects (23 events).

New groups volunteering service with the Division this quarter included: Apptio, Phillips Healthcare Alliance, Triumph International, Aeroje, Blinkx, Ace Hardware, Providence Point, Federal Reserve Bank, VISA Bellevue, Rhyther Group, Enterprise Holdings, and Goldman-Sachs.

September 8, 2012, was the fourth annual National Service Day co-sponsored by the City of Renton and the Renton Church of Jesus Christ of Latter Day Saints church. Over 265 volunteers, who gave over 1,000 hours of hard work at five King County park sites, were recruited. These volunteers removed approximately six tons of weeds and moved over 50 cubic yard of mulch to prepare three sites for fall plantings. In addition, they cleared and repaired over one-half mile of backcountry trail, and cleaned up an area around a new picnic shelter.

On the annual United Way Day of Caring, over 375 volunteers from eight companies and two schools volunteered 1,100 hours weeding, moving mulch, improving trails and more at 11 different King County park sites. Work included 350 feet of new trail construction, 400 feet of trail maintenance, over 60 cubic yards of mulch and compost spread, and over 50 cubic yards of weeds pulled.

At the Marymoor Concerts, over 55 dedicated composter/recycler volunteers helped fill 122 shifts that resulted in 345 hours of service to ensure that the majority of concert waste was diverted from the landfill. They helped educate concert goers on recycling and composting

concert waste items by directing them to the proper disposal containers. Volunteers also picked up and sorted litter to further increase the volume of waste recycling or composting.

Community Outreach

The eighth season of the *Movies@Marymoor* outdoor cinema series was the most successful yet thanks both to excellent summer weather and new attractions at the event. More than 11,000 people came out to see one of eight movies, nearly doubling last year's attendance. At the August 15 screening, the Department of Natural Resources and Parks sponsored a "Go Green Night," which featured information about recycling, green building, energy use, climate change and other King County programs.

A 13-member Maury Island Open Space Citizens Planning Advisory Group was established and began meeting monthly to help guide development of the Site Management Plan for the former gravel mining site acquired in December 2010. The Site Management Plan, which is scheduled for completion in February 2013, will include recommendations for future recreation development, restoration, and soil cleanup of the site.

In July, the Division unveiled its new camping structure, a recycled cargo container retrofitted with sustainable and recycled materials. The camping structure, located at Tolt-MacDonald Park, was built based on Hybrid Architecture's winning design from the "Little Footprint Big Forest" contest last year. The contest and container have been featured in local and national media, including Martha Stewart Living and Sunset magazines, increasing the Division's visibility and public interest.

The Division participated in several outreach events and dedications during the third quarter, including:

- Celebrating the installation of the adult exercise equipment near the playground at Marymoor Park in July. The group MOMentum sponsored the equipment with a \$3,500 donation.
- Dedicating the tennis courts at Steve Cox Memorial Park in September, which were renovated thanks to a federal Community Development Block Grant.
- Hosting information tables at the annual White Center Jubilee Days community street fair in July, the Mountaineers Outdoorsfest in September and at employee fairs at Perkins Coie, PACCAR, and Boeing.

In addition to garnering regular coverage in local print and online outlets, the Division continues to maintain a social media presence with active and engaged followers through Facebook, Twitter, Flickr, Pinterest, Vimeo, and "The Plog," the Division's blog.

Appendix A
2012 Parks and Recreation Division Financial Plan (Parks Levy Subfund 1451)

Category	2011 Actual ¹	2012 Adopted	2012 Revised	2012 Estimated ²
Beginning Fund Balance	\$ 9,884,668	7,871,826	8,620,908	8,620,908
Revenues				
* Levy Proceeds/Delinquent Levy Collections ³	19,132,915	19,484,174	19,484,174	19,837,811
* Interest ⁴	59,883	32,394	32,394	37,951
* All Business Revenues ^{5, 7}	4,436,015	4,801,511	4,801,511	4,801,511
* Expansion Levy Admin Fee ⁶	170,530	157,852	157,852	160,717
* General Fund Transfer ⁷	-	-	-	-
* CIP ⁸	1,956,800	2,343,041	2,343,041	2,986,067
* SW 98th St. Corridor Maintenance ⁹	-	60,000	60,000	60,000
Total Revenues	25,756,143	26,878,972	26,878,972	27,884,057
Expenditures				
* Regional/Rural Expenditures	(23,405,783)	(27,120,251)	(27,120,251)	(26,477,225)
* Urban Growth Area Expenditures	(715,085)	(715,922)	(715,922)	(715,922)
* CIP/Land Management Expenditures ⁸	(2,653,608)	(2,343,041)	(2,343,041)	(2,986,067)
* CPG Expenditures ¹⁰	(185,425)	(300,000)	(300,000)	(300,000)
* SW 98th St. Corridor Maintenance ⁹	(60,000)	(60,000)	(60,000)	(60,000)
* 2012Q1 Omnibus Ordinance ¹³	-	-	(17,947)	(17,947)
* Encumbrance Carryover	-	-	(532,245)	(532,245)
Total Expenditures	(27,019,902)	(30,539,214)	(31,089,406)	(31,089,406)
Estimated Underexpenditures¹¹		610,784	621,788	621,788
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	8,620,908	4,822,368	5,032,262	6,037,347
Designations and Reserves				
* BNSF Trail Maintenance Reserve	(177,994)	-	-	-
* Encumbrance Carryover	(532,245)	-	-	-
Total Designations and Reserves	(710,239)	-	-	-
Ending Undesignated Fund Balance	7,910,669	4,822,368	5,032,262	6,037,347
Target Fund Balance¹²	\$ 7,502,119	\$ 5,304,423	\$ 5,304,423	\$ 5,304,423

Financial Plan Notes:

1 Actuals are based on the 14th Month ARMS Reports.

2 2012 Estimated column reflects updated March 2012 forecast for levy collections and interest earnings, per the King County Office of Economic and Financial Analysis (OEFA). Capital expenditures reimbursement is adjusted to reflect the Parks and Recreation Division's taking on the CIP program in 2012.

3 Levy Proceeds and Delinquent Levy Collections forecast by the Office of Economic and Financial Analysis (OEFA).

4 Net Investment Income is calculated at 0.55%, with 12 basis point investment service fee deducted, in 2012 Adopted; 2012 Estimated is based on year-to-date actual receipts.

5 Business Revenues assume 5% annual growth as recommended by the Parks Futures Task Force. These categories are tracked by the Parks and Recreation Division.

6 Expansion Levy Administration Fee receipts are aligned with OEFA revenue projections in the Open Space Trails and Zoo Levy Fund/Expansion Levy (Fund 1452).

7 Continuing General Fund support for the Urban Growth Area (UGA) parks will not be needed after the adopted policy change that allows the use of all business revenues to support all parks.

8 CIP Revenues include transfers from Parks CIP Funds 3160, 3490 and 3581 to support Capital and Land Management/Business Planning. Note: a portion of CIP/Land Management/Business Planning Expenditure is associated with the UGA. The 2012 Estimated column reflects the Parks CIP program move.

9 Partial funding from the Road Services Division for maintenance of the SW 98th Street Corridor.

10 Partial funding of the Community Partnerships and Grants (CPG) program. Additional funds are in Parks CIP.

11 Estimated Underexpenditures equal 2% of Total Expenditures.

12 Target Fund Balance reflects the level needed to ensure achieving a fund balance of 1/12th of Total Expenditures at the end of the Parks levy in 2013.

13 Expenditure authority increase is due to the General Government Overhead charge increase in the 2012Q1 Supplemental Omnibus Ordinance.